

**CITY OF CONCORD
COMMUNITY DEVELOPMENT ADVISORY COMMITTEE
MINUTES OF AUGUST 24, 2016**

The regular monthly meeting of the Community Development Advisory Committee (CDAC) was held on August 24, 2016, in the Second Floor Conference Room, City Hall, 41 Green Street.

Attendees: Chair Jeff Bart, Councilor Byron Champlin, Councilor Mark Coen, Michael Gfroerer, Councilor Allan Herschlag, Councilor Linda Kenison, Nadine Salley, and Janet Sprague

Excused: Councilor Keith Nyhan

Staff: Director of Redevelopment Matt Walsh and Administrative Assistant Donna Muir

Guest: Chuck Wetterer, Concord Historic Associates Limited Partnership
John Eller, JEller Consulting

1. Minutes of April 20, 2016 Meeting: The Chair asked that the minutes be reviewed and approved. Councilor Champlin moved to accept the minutes as presented. Nadine Salley seconded the motion. Motion passed unanimously.

2. Community Development Block Grant Program:

- a. *Concord Historic Associates Limited Partnership – CDBG – (1999 / \$475,000) – Amendment and Extension of Loan Repayment Terms:* Mr. Walsh explained that he received a request from Concord Historic Associates Limited Partnership to amend and extend the terms of the 1999 CDBG loan and to subordinate the loan for the length of a construction loan being applied for by the partnership. He explained that the circumstances of the request were detailed in his staff report to CDAC. He introduced Mr. Chuck Wetterer and Mr. John Eller, who represent Concord Historic Associates Limited Partnership.

CDAC members discussed why the original loan was not a grant and the reasons that this amendment, extension, and subordination were necessary. Chuck Wetterer explained that, because of IRS rules and regulations pertaining to tax credits which helped finance the project, the CDBG funds had to be invested into the project as a loan rather than a self-amortizing grant.

Councilor Kenison moved to approve Concord Historic Associates Limited Partnership's request to extend the term of its CDBG loan from July 28, 2029 to July 28, 2032, with all other terms of the note, including interest provisions, remaining unchanged, and to authorize the subordination of the City's note to temporary construction financing for proposed renovations to the property. Ms. Salley seconded the motion. Motion passed unanimously.

- b. *Request for Proposals – CDBG January 2017 Round:* Mr. Walsh reported that the City is getting ready to send out request for proposals for the January 2017 round for CDBG grants. He reminded CDAC that the City, as a non-entitlement CDBG community, is eligible to receive up to \$500,000 in Housing and Public Facility CDBG funds. He further explained that CDBG funding rounds are held each January and July. Hence staff was preparing to send out the City's customary Request for Proposals package to approximately 25 area non-profits and other organization who work with low and moderate income individuals and families. Mr. Walsh reported that the Concord Coalition to End Homelessness has been working to find a permanent place to house a temporary winter shelter. He reported that the Coalition may desire to seek CDBG funds sometime over the next year to support construction of its proposed shelter. Given the attention on local

homeless issues, pursuing CDBG funds, subject to receiving the final details of the Coalition's plan, could be very appropriate. However, Mr. Walsh stated that he spoke with Ms. Ellen Groh, the Executive Director of the Concord Coalition to End Homelessness. She stated that they are not yet at a point to make a decision as to whether it would be best to apply for a CDBG grant or whether other funding sources would be more appropriate. Given this information, Mr. Walsh asked whether CDAC wanted to proceed with issuing a request for proposals to the current list or to forego that process in order to hold the City's potential allocation of funds for the Coalition in the event they moved forward with their potential homeless shelter.

CDAC discussed various options regarding how to proceed. After discussion, it was the consensus of CDAC to proceed with issuance of the request for proposals as it was currently unclear 1) whether the Coalition's project would be ready this year to make application for CDBG funds given the schedule for their project, and 2) whether the Coalition would desire to use CDBG funds based upon preliminary discussions between staff and the Coalition. Further, CDAC was worried about potentially losing funds for another organization in the event the Coalition's project did not move forward or need CDBG funds.

3. Revolving Loan Fund: Loan Status and Account Balance Report

- a. *Loan Status and Account Balance Report:* CDAC reviewed the reports provided. Ms. Muir asked that CDAC approve an adjustment to CDL # 961, Riverbend Community Mental Health, as they overpaid by \$.02. Riverbend was notified of this overpayment and suggested that the amount be adjusted. Councilor Champlin moved to have the adjustment made. Mr. Gfroerer seconded the motion. Motion passed unanimously.
- b. *Downtown Energy Conversion:* Councilor Herschlag raised the issue of the impending closure of Concord Steam and inquired whether the City – through its Revolving Loan Fund Program – should assist property owners with financing to convert their buildings from steam to another fuel source. He discussed a recent PUC hearing on Concord Steam's impending closure and request for a final 23% rate increase. Discussion also ensued about potential financing options which might be offered through Liberty Utilities.

Mr. Walsh stated that the City Administration has discussed the potential use of the City's Revolving Loan Fund Program. He also reported that staff has had preliminary discussions with the Capital Regional Development Council (CRDC) about gap financing solutions which some downtown property owners might need. Mr. Walsh stated that it was the City Administration's and CRDC's strong preference to have downtown property owners use their current banking relationships in regards to financing for required conversions. However, the City and CRDC would be willing to use their respective RLF programs in certain cases if the need for gap financing arises. It is envisioned that use of such funds would be in the form of participation agreements with lead lenders. It was noted that this approach has been used successfully on other recent development projects downtown.

4. Adjournment: The meeting adjourned at 12:35 p.m.

Respectfully Submitted,

Donna Muir
Administrative Assistant